Medicaid's Milestones

July 30, 1965: The Medicaid program, authorized under Title XIX of the Social Security Act, was enacted to provide health care services to low-income children deprived of parental support, their caretaker relatives, the elderly, the blind, and individuals with disabilities.

1967: The Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) comprehensive health services benefit for all Medicaid children under age 21 was established.

1972: The newly enacted Federal Supplemental Security Income program (SSI) provided States the opportunity to link to Medicaid eligibility for elderly, blind, and disabled residents.

1981: Freedom of choice waivers (1915b) and home and community-based care waivers (1915c) were mandated. States were required to pay hospitals treating a disproportionate share of low-income patients additional payments (called disporportionate share hospitals or "DSH").

1986: Medicaid coverage for pregnant women and infants (aged 1 year or under) whose family income was at or below 100 percent of the Federal poverty level (FPL) was established as a State option.

1988: The Qualified Medicare Beneficiary (QMB) eligiblity rule required States provide Medicaid coverage for pregnant women and infants whose family income was at or below 100 percent of the FPL. The criteria established special eligibility rules for institutionalized persons whose spouse remained in the community to prevent "spousal impoverishment."

1989: EPSDT requirements were expanded. Medicaid coverage of pregnant women and children under age 6 whose family income was at or below 133 percent of the FPL was mandated.

1990: The Medicaid prescription drug rebate program was enacted. The Specified Low-Income Medicare Beneficiary (SLMB) eligibility

group was established to provide Medicaid coverage for children ages 6 through 18 whose family income was at or below 100 percent of the FPL.

1991: DSH spending controls were established, provider donations were banned, and provider taxes were capped.

1996: The Aid to Families with Dependent Children (AFDC) entitlement program was replaced by the Temporary Assistance for Needy Families (TANF) block grant. The welfare link to Medicaid was severed and enrollment (or termination) of Medicaid was no longer automatic with the receipt (or loss) of welfare cash assistance.

1997: The Balanced Budget Act of 1997 (BBA), created the State Childrens Health Insurance Program (SCHIP). Under this new State-based program, new managed care options were established. DSH payment limits were revised.

1999:The Ticket to Work and Work Incentives Improvement Act of 1999 (TWWIIA) expanded the availability of Medicare and Medicaid for certain disabled beneficiaries who return to work. The Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999 stabilized the SCHIP allotment formula and modified the Medicaid DSH program.

2000: The Benefits Improvement and Protection Act of 2000 (BIPA) modified the DSH program and modified SCHIP allotments. Other related legislation improved Medicaid coverage of certain women's health services.